GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:299
ANSWERED ON:20.11.2009
SUBSIDY AND INFLATION
Singh Shri Uma Shanaker

Will the Minister of FINANCE be pleased to state:

(a) whether the Government has considered the issue of rationalisation of subsidies on food, fertilizer and petroleum products with the Stake holders;

(b) if so, the details thereof and the outcome therefrom;

(c) whether the issue of inflation and the possible deterioration of the same has also been taken into account;and

(d) if so, the details thereof and measures taken or being taken by the Government in this regard?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

(a)to(d): Having regard to the needs of poorer sections, the levels of prices and the subsidy outgo, some announcements relating to major budgetary subsidies were indicated in the Budget for 2009-10.These included: National Food Security Act with the objective of providing every family living below the poverty line in rural or urban areas an entitlement of 25 kilos of rice or wheat per month at Rs.3 a kilo; the intention to move towards a nutrient based fertilizer subsidy regime and the intention of the Government to set up an expert group to advise on a viable and sustainable system of pricing petroleum products.